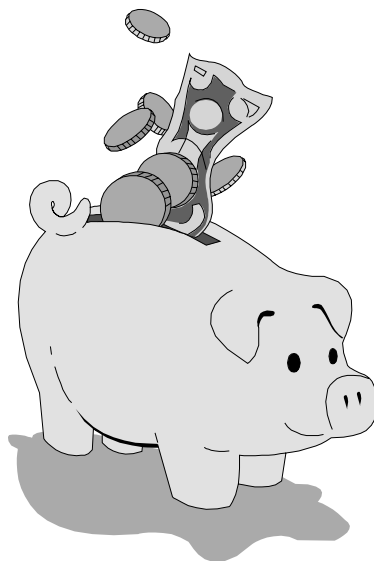


ALTERNATIVE **MEANS** **OF FUNDING**



FUNDRAISING TIPS & METHODS



Fundraising & The Importance of Integration

Locating grant funding from the federal, state, and local governments, as well as foundations and corporations is a major component to sustaining your organization and its vision. However, there are other methods of acquiring funding and increasing the funding community's awareness of your organization.

This section is somewhat of a departure from the rest of the book. The following pages will provide you with tips and resources for finding alternative means of funding your nonprofit. This will include Direct Mail, Cause Marketing, and Social Entrepreneurship.

The tools presented here should be seen as potential components to be integrated into a well-planned, holistic marketing and fundraising strategy that not only utilizes Federal, State, and local grant sources but also diversifies income and builds brand awareness. An organization's financial well-being should never rest on the shoulders of one income source. Grants, Subsidies, Direct Mail, Major Donor Cultivation, Volunteer Programs, Planned Giving, Cause Marketing, Social Entrepreneurship, Awareness Campaigns—each vehicle has its strengths and weaknesses. Ideally, an integrated marketing strategy incorporates a wide variety of media for reaching and cultivating donors, as well as heightening community awareness regarding the organization and its impact.

How to Work with Limited Resources

By Kate Brennan Homiak (Baylor University School of Social Work, 2005)

Escalating community needs at a time when resources of staff and funding are limited challenge many nonprofit organizations. However, several nonprofits surveyed by the FASTEN research team have developed creative responses. The bulleted list below provides a quick reference for the fuller explanation of each item that follows.

- Network and share resources with collaborators
- Utilize the resources and expertise available to you at local schools and universities
- Develop relationships with government officials and policymakers
- Help people discover ways to help you, either through small gifts of time or financial contributions
- Be aware of what other nonprofits in your community are doing and how you can combine services, volunteers or staff
- Don't allow yourself to become "short-sited."

Network and share resources with collaborators

Partnering with other agencies and churches creates a greater pool of resources. Collaborating organizations often share technology, volunteers, physical space, funds and expertise. An administrator of a health promotion program with a background in fine arts explains how she has obtained the information she needs for her program:

"I'm an organizer. I think I can get the people who have the health information. I do not have to have the expertise. I pull it in from the 35 agencies that come for the health fair. I am a networker, and I am a collaborator."

Utilize schools in the community

Primary and secondary schools, as well as institutions of higher education, can often provide skills and resources to social service delivery organizations. Some secondary and higher education coursework require students to meet service learning or volunteer requirements. Make volunteer needs known to local school administrators. Schools also can provide space for programming or after-school meetings. If your organization needs help with accounting, budgeting, marketing, public relations, technology, research, social service or languages, college students may possess the skills required. In addition, some schools place a high priority on community service, so provide opportunities—from the small task to the specialized skill—where volunteers can participate. One FBO had a college technology class create a Web site for its agency. Check to see if your local college offers classes on fundraising, leadership development or grant writing for nonprofit agencies. The class may do a project to benefit your agency!

Develop relationships with government officials and policymakers

Government officials have influence and access to assist in the needs of social service organizations and to create policies that will impact program participants. Even if

government funding is not desired, it is helpful for government officials to be knowledgeable about your program in the hopes that they will advocate for policies that will benefit your clients. Many administrators reported that developing good relationships with officials opened new opportunities for funding, legitimacy, visibility, support and community action. One FBO administrator interviewed emphasized the benefits of developing these relationships:

“Many organizations have an ongoing relationship with foundations and may be able to get that kind of quick relationship and quick response from a foundation. But for us, government is the quickest responder. And if I can go to a particular commissioner at a particular government agency or to people on the staff of the mayor or the governor or to the speaker of the assembly or the speaker of the city council, that’s how we got the program started.”

Create opportunities for people to donate in small ways

Volunteers want to believe their contribution to your agency makes a difference. This is your chance, as director of an FBO or church administrator, to create and publicize specific ways for community members to volunteer — and the more specific in task and time commitment, the better. Encourage your board members to develop, organize and publicize these opportunities, whether it is to raise money, help serve a meal or collect hygiene items. One small FBO we surveyed commented:

“Our board ... [began a new] fundraising initiative We’re trying to get 200 people [to] donate \$50 a month ... and that gives you a \$10,000 base operating budget. That’s what it costs to run the ministry Then you can go after grants and other things ... but bring people in from the community to help support the ministry on a small, doable scale.”

This administrator went on to say that 10 people in a group who each gave \$5 a month was another approach to achieving this goal:

“Just about anybody can do \$5 a month, and I think a lot of times we forget that small donations like that on a regular basis go a long way because a lot of people say to me, ‘I don’t have that much, I can’t do a big donation.’”

Also, be sensitive that some community members will not choose or be able to give monetarily but still will want to contribute. Emphasize to such persons that their time and personal skills are valuable. They may need convincing that they have talents to offer. For instance, a staff member at a faith-based transitional housing program for formerly incarcerated women explains:

“A lot of people say to me ... I don’t have any gifts or talents. I’m going, ‘Oh yeah, oh yeah, but you do.’ [We have a woman who] has come and done groups for the house for about a couple of years now. She does dream work, and she’s done it pro bono. I mean she comes in one night a week for 10 weeks, and she’s also been available one-on-one to work with some of our women who have ...needed certain kinds of counseling issues addressed.”

Another example is parents who prefer to model for and participate with their children in hands-on ministries. Just mailing in a check denies them the opportunity to teach life lessons. Ask them to hoe in a community garden, plant flowers, read to children, teach basic computer skills, serve a meal — the opportunities for small, specific, family-friendly tasks are endless. Then, the check will mean something (and it may be larger!) because this is their ministry!

Think creatively about how to use volunteers and partners

Again, this requires consistent networking and information sharing with other agencies. Do you and another nonprofit have a summer program offered at the same location? If so, try to coordinate volunteer drivers and carpool participants. Are three different agencies each providing basic accounting classes? Can you coordinate volunteer instructors and location to maximize the services and convenience for your clients? One social service delivery program staff member learned that members of a nearby church were taking their children to the same events her clients attended. She called the church and organized a carpool for the lower-income children who needed transportation. This served her agency's need and created opportunities for church members to volunteer on a short-term, specific basis.

Don't be "Short-Sited"

Is your ministry facility situated where you can be most convenient to your clients? Consider consolidating services in a central location. This can eliminate transportation challenges for clients, who many times have no choice but to walk to multiple sites for assistance. In some cities, agencies jointly lease a building or share or lease from a collaborating partner its extra space. One FBO described its attempts to centralize services for participants:

"We're trying to combine everything together to give a place to stay, get an education, give them job training ... so that they're leaving with a job on their hands."

For other agencies, mobility and flexibility are better approaches to meeting clients' needs. Coordinate with churches around the city, with each site providing a particular service on particular days of the week. Or, as was the situation with one FBO we interviewed, a mobile trailer provided the perfect "office." They run a free-clothing service and were able to retrofit a large recreational vehicle and then drive it to different communities:

"We have a large recreational vehicle which goes around the city by appointments set up by the community counselors and the social workers, and it essentially is a floating store on wheels. And those clients get on, one family at a time, or one individual at a time, and they can try on, or take the clothing that they need. ... Now, we could have them all come in to [the city], and it would make it much more difficult for them."

Limited resources do not have to mean limited services. Brainstorm with your staff, clients and other nonprofits to think differently and creatively about how to pool

resources and skills. As with the little boy who offered his two fishes and five loaves of bread to Jesus to feed the multitude, if we offer what we have and the work is blessed, we will have more than enough.

Source: FASTEN-Faith And Service Technical Education Network
<http://www.fastennetwork.org/>



Fundraising: Preferred Practices

By Joel J. Orosz,
The Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership

Concentrate on individuals. Corporations and foundations control substantial resources, but the sheer number of individuals makes them by far the largest source of funding - more than 80% - for nonprofit organizations.

Create an endowment. Endowments help to stabilize organizations by providing a steady stream of reliable income, in good times and in bad.

Embrace creative fundraising techniques. Place a "donate now" button on your website; form a strategic partnership with a business that shares your organization's values; include workplace funding in your campaign; try grassroots givers like churches and service clubs; seek gifts in kind from retailers and manufacturers.

Place your eggs in different baskets. Just as your personal savings are safer if you invest in many different types of securities, your organization is safer if you raise funds from many different sources, including individuals, corporations, and foundations; never depend on a single "angel" to support your organization.

Fundraising, like charity, begins at home. It is vital to be able to demonstrate that all of your organization's board members, officers, and volunteer fundraisers make significant gifts to your campaigns; what is considered to be a "significant gift" will depend on the size and budget of an organization.

Hire the help that you need. Complex fundraising instruments like capital campaigns and planned giving programs are usually more successful when organizations seek professional help in creating and operating them.

Just as all politics is local, all fundraising is personal. Donors, as a rule, do not so much give money to organizations, as they give money to people - to people whom they know, trust and respect - which means that who does the asking is at least as important as the cause for which the funds are being raised.

Keep meticulous records. Every successful campaign is well documented, especially for legal and fiduciary reasons; documentation includes such things as expenses, donation amount, date donation was received, portion of donations that are tax deductible, and donor contact information.

Keep your promises, and demand that your donors keep their promises. Always use donated funds for the purposes intended by the donor, and require donors to honor their pledges.

Know your donor. People give for different reasons, at different levels, in response to different needs and opportunities, so it is essential to know your organization and to study its donors; also, do not be afraid to give donors different levels of recognition, depending on what they give.

Make donating to your organization a long-term relationship. Make sure that between solicitations, donors are thanked for past gifts, receive updates on the use of previous gifts, and receive general information about the organization; being a donor should be an ongoing, not an episodic relationship with your organization.

Organizations cannot live by gifts alone. On average, earned income - fees for service, sale of products, royalties, etc. - provides nonprofit organizations with about half of their income.

Source: FASTEN-Faith And Service Technical Education Network
<http://www.fastennetwork.org/>





10 TIPS FOR BEING A GOOD FUNDRAISER

FROM THE FAITH INITIATIVE OF THE POINTS OF LIGHT FOUNDATION
TIP SERIES #: FND10

Many people in the non-profit world tend to want to avoid fundraising, perhaps out of embarrassment, a sense of inadequacy, or fear of failure. There are no magic formulas in fundraising. It is, however, an inevitable part of the efforts of a non-profit. Becoming familiar with the fundamentals of fundraising and getting some practice at it are two steps that bring success. These ten basic tips can be useful in the necessary task of garnering funds for your organization.

10 FUNDRAISING TIPS

These are just some things to consider:

- Ask for a gift—don't wait.
Another will ask if you don't.
- Look professional and act professionally.
- Be accountable for yourself and for your nonprofit.
- Be honest, and listen to your heart, because it is usually more honest than your mind.
- Speak with conviction for your cause.
- If you cannot speak with conviction and confidence, recruit someone who can.
- A prospect is simply a donor without motivation. You provide the motivation.
- A donor is a fundraiser who has yet to share their conviction with a friend. Ask them to.
- A good fundraiser, then, is a friendly motivator. It's that simple.
- A successful fundraiser has thick skin, a soft heart, exceptional hearing, a quick mind, a slow tongue and no shame—at least when it comes to asking for a gift.

Adapted, with thanks, from www.hopeco.com/fundraising_letter.htm.
Written by Robert DeMartini—Contact at: nonprofit.guide@about.com.

Series Editor: Katherine Andrews • This Tip Sheet is a service of the Points of Light Foundation's Faith Initiative ©2004. For more information, contact: faith@pointsoflight.org.

© 2004 Points of Light Foundation • A nonpartisan, nonprofit organization dedicated to engaging more people more effectively in volunteer service to solve serious social problems



FUNDAMENTALS OF FUNDRAISING LETTERS

FROM THE FAITH INITIATIVE OF THE POINTS OF LIGHT FOUNDATION

TIP SERIES #: FND12

Writing a good fundraising letter is not a magical process. You can improve your fundraising letters dramatically with a little practice, but writing a fundraising letter is a process that requires a little planning before actually putting words to paper. The following are some quick tips on the vital elements of a fundraising letter.

FUNDRAISING LETTERS

- A fundraising letter campaign requires knowledge of the organization for which it is being written. Writing a fundraising letter also requires some understanding of the letter's target audience. These areas of consideration represent the start point and the end point of the process of a fundraising letter campaign. What goes in between is the message—the letter itself.
- What, specifically, will any funds raised through the letter accomplish for the public good? A fundraising letter should directly answer what human need will be fulfilled due to the generosity of the donor. For example, you don't simply build a hospital, you establish a healthcare facility that will provide relief of human suffering and improve and extend the lives of people in the community. It will create jobs, be a focus of community pride, and stimulate economic growth in the community.
- You should ask for a specific amount in your fundraising letter, or at least a range. Why try to sell somebody on the value of the work of your nonprofit but not give them the price? Ask for an amount in your fundraising letter and you shall receive.
- The fundraising letter should also provide a timeline for a response. In order to motivate the donor to respond quickly, you might add, "Now is the time to make your decision to help, before your opportunity to positively change a life is lost." You can also ask for a response "this week" or by a specific date.
- Make sure there is a way for the donor to easily make a gift. Include a pledge card and a return envelope with your fundraising letter. Some organizations use a postage-paid envelope, while others imprint "thank you for your additional gift of a stamp" in the corner. It is best to make it as easy as possible and to use postage-paid envelopes in fundraising letters. When they do respond, treat all donors as if they are the most important partner you have and thank them in a meaningful way for their gift. Hand-sign the thank you letter.
- The best fundraising letter campaigns are targeted to smaller groups of people who have some sort of interest or affiliation with your organization or the types of charitable services you provide. A fundraising letter sent to a general category of people will fail to yield meaningful results.
- The most successful fundraising letters are generally no longer than a single sheet of paper. At most, stretch the letter to the back page to include relevant data. People are either hooked in the first paragraph or not at all. Think of 500 to 750 words as a good target number before a fundraising letter reader will lose interest. Include your web address in your fundraising letter so that the reader can learn even more about your organization if they so desire.

Adapted, with thanks, from www.hopeco.com/fundraising_letter.htm.
Written by Robert DeMartinis—Contact at: nonprofitguide@about.com.

Series editor: Katherine Andrews • This Tip Series is a service of the Points of Light Foundation's Faith Initiative ©2004. For more information, contact: faith@pointsoflight.org.

© 2004 Points of Light Foundation • A nonpartisan, nonprofit organization dedicated to engaging more people more effectively in volunteer service to solve serious social problems

10 Tips for Writing Appeals in Direct Mail

Excerpted from "What Every Person Raising Their Own Support Needs to Know",
Alston-Kline, Inc. 2003

1. Zero in on your "offer."

Don't write a word until you know *why* you are asking your readers to help, *how* they can make a difference and *what* they should do next. The answers to these questions are your "offer" - what you are offering your audience the opportunity to accomplish.

The very best offers are specific, e.g. "Your gift of \$22 will provide food, blankets and medicine for a homeless family in Kosovo." The worst offers are generic, e.g. "Your gift will help the DoGood Foundation continue its wonderful work." The offer can single-handedly make your mailing a success or failure, so pay attention to it!

2. Know your audience.

Are you writing to people who have never heard of your organization and asking them to give a first gift? Or are you speaking to faithful current donors? Make sure you know who will be receiving your letter and speak to them appropriately. Segment your mailing list and make appropriate offers to each segment.

3. Write to a person.

However, once you know your audience, don't write to *all* of them as a big, impersonal group. Instead, pick *one* imaginary person in your audience - perhaps someone like your mother or a crotchety old uncle, and write a personal, persuasive letter to that individual.

4. Capture attention immediately.

"You can't bore people into buying something," commented David Ogilvy, the founder of one of New York's largest ad agencies. Nor can you bore them into giving you a gift. The average person will decide within just a few seconds whether or not he is going to trash your letter, so make sure you capture his attention and give him reasons to keep on reading ... and reading ... and reading.

5. Understand what motivates people.

People want to give to basic needs that resonate with their emotions and perceptions of what is important, like feeding a hungry child or bringing renewal to a church community. And they want to provide simple, immediate solutions - like shipping a box of food right now. More advanced causes - such as providing agricultural training in a poor community so that children don't get hungry in the future - are much harder to sell by mail.

So whenever possible, try to position your cause in basic, immediate terms that a donor can understand at an emotional level. And describe the solution in a way that the average donor on the street can visualize in her mind.

6. Focus on your envelope.

Your envelope has one job - to get opened. Whether you decide to make a bold splash (neon orange paper with the teaser headline in 20 point type) or go the subtle route ("Personal Invitation Enclosed"), put time and effort into developing a carrier envelope that your specific audience will find intriguing and open. Be sensitive to your current donors with transition pieces during organizational change. Don't move to 4-color brochures from plain bond narratives. Take a simple step in creating a changed communication that will cause them to wonder what is happening and to measure if it is good.

7. Lead with purpose and punch.

Open your letter with your most compelling ammunition. Don't waste your time on "warm up" copy - explanations, platitudes, how your organization was founded, etc. Instead, jump right in.

For example, *"Dear Mrs. Smith: Have you ever held a dying child in your arms? I have - and it broke my heart ..."* Or you can also begin in a simple, businesslike fashion, e.g. *"Dear Mr. Jones: I'm writing today because little children are dying in Africa, and I need your immediate help to provide nutritious meals and medicine to save their lives."* ...Or you can begin with a simple statement regarding change or renewal during change, e.g. *"Dear Ms. Clark: We're still here doing what we've always done. We are learning to do it even more loving."* Whatever tack you choose, get right to the point.

8. Write like a real person.

Do your friends compliment you on your expansive vocabulary and perfect grammar? Those are habits you'll need to break for direct mail. Instead, write like people talk. That means you use sentence fragments. Break rules of grammar. Start sentences with "and" and "but." You also need to purge big words. Don't say, "his responsibilities included"; instead say, "his job." A simple word like "tool" will always work better than a fancy word like "implement." Write everything at an eighth grade level, and use a personal, friendly tone of voice.

9. Cut the fat.

Fred Astaire had this advice about composing dance routines: "Get it until it's perfect, then cut two minutes." The same holds true for direct mail. You'll need to ruthlessly edit your first draft. Are you telling a heartbreaking story of a family in need? Then include only the essential details - not all the background information. Keep snipping until every remaining word is critical to the success of your letter.

10. Ask for money.

This is tough. You absolutely must do this - multiple times if possible. Ask for money at the beginning of the letter. Ask for it several times throughout the letter. And focus on a gift at the close of your letter and probably in the P.S. (which every fundraising letter should have). This is important because people scan letters instead of reading them from beginning to end. This is a difficult transition and part of your marketing strategy to

determine. If you have had years of not asking for support directly then you ask it will seem awkward. Practice this skill to keep it authentic and soft. But, if you need help, ask. And, always connect the request for a gift to something of concrete substance that is needed.

Remember, all of this asking and strategizing is for a good cause, *your* cause for meaningful work. Follow these rules to raise more money and you'll help make this world better for us all.

"Reach for the stars. You won't catch them, but you won't end up with a handful of mud either." Leo Burnett

Source: FASTEN-Faith And Service Technical Education Network

<http://www.fastennetwork.org/>

